

Assigned DOGM File No.: S 045 0073
DOGM Lead: Tom Munson
Permit Fee \$ 150.00 Ck # 1302

Task ID# 2178

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**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING**

1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Lane Springs
2. Legal name of entity (or individual) for whom the permit is being requested: Clifton Mining Company
Mailing Address: 800 West Canyon Crest Road
City, State, Zip: Alpine Utah 84009
Phone: 801-736-1414 Fax: 801-736-5434
E-mail Address: clifton@cliftonmining.com

Type of Business: Corporation ☒ LLC () Sole Proprietorship (dba) ()
Partnership () General _____ or _____ limited
Or:
Individual ()

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 1222221-0142

If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____ (if required)
Issued by: County _____ or City _____

3. **Contact Person(s)**
Name: Keith Moeller Title: VP Property
Address: 80 W. Canyon Crest Road
City, State, Zip: Alpine Utah, 84009
Phone: 801-736-1414 Fax: 801-736-5434
Emergency, Weekend, or Holiday Phone: 801-361-5900
E-mail Address: clifton@cliftonmining.com

Contact person to be notified for: permitting ☒ surety ☒ Notices ☒ (please check all that apply)

RECEIVED
JAN 04 2008

Name: _____ Title: _____
Address: _____
City, State, Zip: Same as above
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

Contact person to be notified for: permitting () surety () Notices () (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank):

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

4. **If Business is a Sole Proprietor:**

Name of Owner: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Corporation:

Name of Officers:	<u>William Moeller</u>	Title:	<u>CEO</u>
	<u>Ken Friedman</u>	Title:	<u>Pres.</u>
	<u>Scott Moeller</u>	Title:	<u>CEO</u>
	<u>Keith Moeller</u>	Title:	<u>VP Property</u>

Headquarters Address: 80 W. Canyon Crest Rd. Alpine Utah 84004
City, State, Zip: _____
Headquarters Phone: 801-756-1414 Fax: 801-756-5454
E-mail Address: clifton@cliftonmining.com

If Business is a Limited Liability Company: Member Managed ■ Manager Managed ■

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd Member/Manager: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): NA

BLM Claim Numbers _____

Utah State Lease Number(s): _____

Name of Lessee(s) _____

7. **Have the above surface and mineral owners been notified in writing?**

Yes ☒ No ☐

If no, why not? _____

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes ☒ No ☐

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): Tooele Lot 15/0125
____ 1/4, of NE 1/4, of NE 1/4: Section: 2 Township: 8 So. Range: 18 W
____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____
____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: Gold Hill 7.5 min / also see 1:20,000 map included

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.

a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.

b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:

i. The area to be disturbed;

ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and

iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

1. **Type of mining:** Surface ☒ Underground ☐

2. **Mineral(s) to be mined:** Au, Ag, Cu

3. **Amount of material** to be extracted, moved, or proposed to be moved: _____

4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process?

Yes ☒

No ☐

If yes, please describe (add extra pages if needed)

rights already exist for the mine springs - it is used in the Gold Hill mill and has been for over 100 years.

5. Provide a brief **description of the proposed mining operation** and onsite processing facilities (add extra pages if necessary).

Some Surface and some underground mining.

6. ■ **New Road(s):** Length Not at this time (ft) Width _____ (ft)

7. ■ **Improved Road(s):** Provide a description of the improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) of improvements.

8. Total project surface **acreage to be disturbed:** 4 (acres) PLEASE SPECIFY
EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).

9. Proposed **startup date** (month, year)

March 2008

10. Proposed **completion date**, if known (month, year) _____

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes ☐ No ☒

1st Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification: _____

Alternate methods or measure to be utilized: _____

2nd Variance Requested

Item # _____ Applicable Rule # _____

Justification: _____

Alternate methods or measure to be utilized: _____

3rd Variance Requested

Item # _____ Applicable Rule # _____

Justification: _____

Alternate methods or measure to be utilized: _____

Attach additional page if more variances are requested.

VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

I have provided or will provide surety in the form of:

- Certificate of Deposit ■ Letter of Credit ☒ Surety Bond ■ Cash (certified funds)
■ Other _____ (please identify) _____ undecided

VII. PERMIT FEE (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5). Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee, which must accompany this application, or the Division cannot process it.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

- ☒ I have enclosed the required permit fee.
- ☐ I have enclosed/requested a Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
- ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; or (4.) the member or manager if applicant is a limited liability company.

Signature: _____

Date: _____

Name (typed or printed): _____

Title/Position (if applicable): _____

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31

4,447,000

32

33

4

0km

254,000

Property Plan

Compilation

Property Location
Plan

Approved by:

Date: Jan, 2007

Scale: 1:20,000

FILE: ALL_PTY_MASTER.dwg

Dwg No. #

Dumont Nickel Inc.

Utah Projects

R 17W

S.D. (Clifton)

Gold Hill
City

S.D. (Clifton)

ML 47181
Cane Springs
2 Patented
Property

DMC 154	DMC 460	DMC 461	DMC 462
DMC 155	DMC 462	DMC 463	DMC 464
DMC 156	DMC 464	DMC 465	DMC 466
DMC 157	DMC 466	DMC 467	

T 28th
R 18 W
Sect. 2

Glenda 1	Glenda 2	Glenda 3
Glenda 4	Glenda 5	Glenda 6

DMC 191	DMC 192	DMC 193	DMC 194	DMC 195	DMC 196
DMC 201	DMC 202	DMC 203	DMC 204	DMC 205	DMC 206
DMC 211	DMC 212	DMC 213	DMC 214	DMC 215	DMC 216
DMC 221	DMC 222	DMC 223	DMC 224	DMC 225	DMC 226
DMC 231	DMC 232	DMC 233	DMC 234	DMC 235	DMC 236
DMC 241	DMC 242	DMC 243	DMC 244	DMC 245	DMC 246
DMC 251	DMC 252	DMC 253	DMC 254	DMC 255	DMC 256
DMC 261	DMC 262	DMC 263	DMC 264	DMC 265	DMC 266
DMC 271	DMC 272	DMC 273	DMC 274	DMC 275	DMC 276
DMC 281	DMC 282	DMC 283	DMC 284	DMC 285	DMC 286
DMC 291	DMC 292	DMC 293	DMC 294	DMC 295	DMC 296
DMC 301	DMC 302	DMC 303	DMC 304	DMC 305	DMC 306
DMC 311	DMC 312	DMC 313	DMC 314	DMC 315	DMC 316
DMC 321	DMC 322	DMC 323	DMC 324	DMC 325	DMC 326
DMC 331	DMC 332	DMC 333	DMC 334	DMC 335	DMC 336
DMC 341	DMC 342	DMC 343	DMC 344	DMC 345	DMC 346
DMC 351	DMC 352	DMC 353	DMC 354	DMC 355	DMC 356
DMC 361	DMC 362	DMC 363	DMC 364	DMC 365	DMC 366
DMC 371	DMC 372	DMC 373	DMC 374	DMC 375	DMC 376
DMC 381	DMC 382	DMC 383	DMC 384	DMC 385	DMC 386
DMC 391	DMC 392	DMC 393	DMC 394	DMC 395	DMC 396
DMC 401	DMC 402	DMC 403	DMC 404	DMC 405	DMC 406
DMC 411	DMC 412	DMC 413	DMC 414	DMC 415	DMC 416
DMC 421	DMC 422	DMC 423	DMC 424	DMC 425	DMC 426
DMC 431	DMC 432	DMC 433	DMC 434	DMC 435	DMC 436
DMC 441	DMC 442	DMC 443	DMC 444	DMC 445	DMC 446
DMC 451	DMC 452	DMC 453	DMC 454	DMC 455	DMC 456
DMC 461	DMC 462	DMC 463	DMC 464	DMC 465	DMC 466
DMC 471	DMC 472	DMC 473	DMC 474	DMC 475	DMC 476
DMC 481	DMC 482	DMC 483	DMC 484	DMC 485	DMC 486
DMC 491	DMC 492	DMC 493	DMC 494	DMC 495	DMC 496
DMC 501	DMC 502	DMC 503	DMC 504	DMC 505	DMC 506

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